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COORDINATION QUESTIONS

Proposed revision to the System-wide Plan of Action for African Economic Recovery and Development

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PROPOSED REVISION TO THE SYSTEM-WIDE PLAN OF ACTION FOR AFRICAN ECONOMIC RECOVERY AND DEVELOPMENT

I. BACKGROUND AND JUSTIFICATION

1. The proposed revision to the System-wide Plan of Action for African Economic Recovery and Development is based on paragraph 3 of document E/AC.51/1994/7 of 9 August 1994, and the decision by the Committee for Programme and Coordination (CPC) at its thirty-fourth session to revise the System-wide Plan in 1997. It is aimed at harmonizing the existing revised System-wide Plan of Action with the United Nations System-wide Special Initiative on Africa which was launched in March 1996.

2. It may be recalled that, at its thirty-fourth session in 1994, the CPC requested that a progress report on the implementation of the current System-wide Plan be submitted for its consideration at its thirty-sixth session in 1996. Accordingly, the Committee considered at its thirty-sixth session the progress report of the Secretary-General on the implementation of the System-wide Plan of Action for African Economic Recovery and Development, the report of the Joint Inspection Unit entitled "Evaluation of the United Nations New Agenda for the Development of Africa in the 1990s: Towards a More Operational Approach?"[1] and the comments of the Secretary-General and the Administrative Committee on Coordination (ACC) thereon. The Committee took note of the above reports and urged the United Nations system to work in a coordinated manner. The Committee specifically welcomed the United Nations Special Initiative on Africa as an important vehicle for implementing the United Nations New Agenda for the Development of Africa in the 1990s.

3. Subsequently, the Ad Hoc Committee of the Whole of the General Assembly, which conducted the mid-term review of the New Agenda in September 1996, stated in its report that the United Nations Special Initiative is complementary to the New Agenda and that it might become an impetus for the implementation of all elements of the New Agenda. Shortly before the mid-term review, the Panel of High Level Personalities on African Development called for linking the Special Initiative to the New Agenda as an implementing arm. Recently, at its sixth meeting, the ACC Steering Committee on Africa noted that for a number of reasons the current system-wide plan has not represented an effective tool for implementing the New Agenda and concluded that amalgamating the System-wide Plan and Special Initiative would be the optimal approach for successfully achieving the objectives of the New Agenda.

4. Subsequent to the mid-term review of the implementation of the New Agenda, the Office of the Special Coordinator for Africa and the Least Developed Countries of the Department for Policy Coordination and Sustainable Development and the secretariat of the United Nations Special Initiative on Africa of the Regional Bureau for Africa of the United Nations Development Programme undertook the preparation of a matrix describing the link between the New Agenda and the Special Initiative and bringing out the priorities of the Agenda which are presently the areas of focus of the Special Initiative. The matrix clearly shows that the Special Initiative, appropriately adjusted, could form the basis for the revision of the System-wide Plan of Action.

II. OVERVIEW OF THE CURRENT SYSTEM-WIDE PLAN OF ACTION AND THE SPECIAL INITIATIVE ON AFRICA

1. System-wide Plan of Action: overall strategies, priorities and modus operandi

5. The current System-wide Plan of Action is conceived around a comprehensive sustainable development approach. It is structured around six priority areas: human resource development and capacity-building; food, agriculture and agro-based industries; growth, equity and sustainable development; diversification of African economies; mobilization of external and domestic resources; growth and regional cooperation and integration. Because of linkage to the New Agenda, the Plan has the same time-frame and this has led CPC to decide that it would be updated the year following the reviews of the New Agenda.

6. Each priority of the Plan area is dealt with as follows: (a) problems to be addressed; (b) goals and objectives; (c) proposed strategies; (d) United Nations support programmes; (e) enabling factors at the African regional level; (f) level of resources required and available. For each area a lead agency has the overall responsibility and is assisted by collaborative agencies. The first three areas were entrusted to the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Development Programme (UNDP), respectively, and the last three to the Economic Commission for Africa (ECA), as lead agencies of the United Nations Inter-Agency Task Force on African Economic Recovery and Development, chaired by ECA. The Inter-Agency Task Force acts as the follow-up and monitoring mechanism for the implementation of the System-wide Plan. The details of the Plan are contained in document E/AC.51/1994/7 of 9 August 1994.

2. System-wide Special Initiative: overall strategy, priorities and modus operandi

7. The System-wide Special Initiative was launched in March 1996 with the objective of providing greater focus in the implementation of the System-wide Plan of Action. Its aim is to identify and develop practical proposals to maximize the support provided by the United Nations system to African development. The Special Initiative is focused on five broad priority areas and, as in the System-wide Plan of Action, with lead and cooperative agency arrangements. These areas are: (a) water, (b) food security, (c) governance, (d) social and human development, (e) resource mobilization. In addition, there are two cross cutting themes: gender and population and capacity-building. The lead agencies for the Special Initiative are: UNESCO, UNDP, FAO, WHO and the World Bank. These broad areas are further subdivided into 20 priority action programmes contained in the document entitled "United Nations System-wide Special Initiative on Africa", released by UNDP on 15 March 1996.

8. While the ACC assumes coordination at the system-wide level, the lead agency is responsible for coordination at the sectoral level. The Steering

Committee on Africa is co-chaired by UNDP and ECA. A secretariat has been established within UNDP to assist the Steering Committee.

III. PROPOSED REVISION TO THE SYSTEM-WIDE PLAN OF ACTION AND HARMONIZATION WITH THE SPECIAL INITIATIVE ON AFRICA

9. It is noted that all the five major priority areas of the System-wide Special Initiative are fully contained in the current System-wide Plan of Action. However, two significant priority areas in the Plan of Action - diversification of African economies and regional and subregional cooperation and integration - are not included in the Special Initiative. These areas are of particular importance as noted in resolution AHG/Res.236 (XXXI) of the Assembly of Heads of State and Government of the Organization of African Unity (OAU). Consequently, in view of the above, the proposed revision to the System-wide Plan of Action would include the five priority areas of the Special Initiative and the two additional areas noted above.

10. The priority areas as well as the sections relating to their implementation are briefly reviewed below. Review and monitoring arrangements are mostly drawn from the Special Initiative and the current System-wide Plan of Action, taking into account the recommendations of the mid-term review of the New Agenda. The relevant documents on both the analysis of the substantive areas covered and the implementation arrangements for each should be referred to.[2]

11. It is to be noted that the added value of the revision is that it takes into account the advantages of both the current System-wide Plan of Action and the Special Initiative. The resulting added value consists in: (a) enhanced ownership of the programme by African countries with the inclusion of two major areas of great importance to African development, (b) special country focus, (c) the search for broader partnership beyond the United Nations system, (d) increased mobilization and more effective use of financial resources, and (e) effective country level coordination and monitoring and reporting mechanisms.

1. Water

12. The priority area of water resources, in both the System-wide Plan of Action and the System-wide Special Initiative includes drinking water, water for agriculture systems and food security. The programme therefore focuses primarily on changes in water policies, laws and institutions in order to ensure that the poor majority of the population in Africa is brought from the margins of the issue to the forefront of a coherent and sustainable water development agenda. The programme, applying the "fair share" approach, has five key elements:

(a) Assessing all future national and international water policies, plans and programmes in terms of their economic viability, environmental sustainability and equity impacts;

(b) Assisting Governments to incorporate the "fair share" approach in their national water development policies, plans and programmes;

(c) Assisting Governments in implementing the "fair share" approach and in disseminating practical and affordable techniques that can help the majority of people get access to clean water in the shortest possible time;

(d) Accelerating relevant components of existing projects to emphasize and demonstrate application of the "fair share" approach and the advantages of community participation in water management planning and decision-making; and

(e) Assisting Governments to set up more effective drainage basin and regional agreements and institutions for avoiding or settling conflicts over equitable access and use of water resources.

1.1 Household water security

13. This component is aimed at enabling as many African countries as possible to provide access to safe water supply and sanitation in the next decade or earlier. This goal can be realized through the development of national plans of action and by targeting the populations in greatest need with external support for capacity-building and monitoring. In this process, the World Health Organization (WHO)/United Nations Children's Fund (UNICEF) Joint Monitoring Programming, would be strengthened throughout Africa. At the country level, a compact of donors and the respective governments can be developed and a task force could be formed consisting of relevant United Nations agencies and donors in collaboration with national governments. Implementation and detailed budget planning is in process, after which the lead agencies (UNICEF, WHO, UNDP, the World Bank) will present a plan to carry this out. UNESCO would also play a part in this activity.

1.2 Freshwater assessments

14. The basis of resolving the issues of equity and the "fair share" approach to water resources is the accurate knowledge of the quantity and quality of freshwater in relation to the present and future demands. Thus, a water resources assessment is a prerequisite for all cross-sectoral development purposes of a country's water resources. To assist activities of African countries, an initiative was launched by the World Meteorological Organization (WMO) and ECA at a conference held in March 1995 in Addis Ababa. The Conference adopted a plan of action which was endorsed by the WMO Congress and both the ECA Conference of Ministers and the Organization of African Unity (OAU) Council of Ministers. To implement the programme, WMO and the OAU Council of Ministers have been assigned the lead role. The relevant steps are to:

(a) Initiate or strengthen institutional arrangements and generate political support within the regional economic-political groupings to undertake water resources assessment in shared river basins; and

(b) Launch or support the new initiative of WMO and the World Bank to set up the Hydrological Cycle Observing System (HYCOS) in each of the subregions as a component of the World Hydrological Cycle Observing System (WHYCOS).

1.3 Water for food production

15. With water shortages recorded regularly in a growing number of countries in Africa, increased attention is needed for the management of available water resources. Improved water management practices are essential to boost agricultural production. The following five critical aspects are of particular importance:

(a) Reviewing and reforming of national water resources development and irrigation policies and strategies, including water legislation and institutional reforms, so that they are compatible with broader national development and agricultural policies;

(b) Promoting establishment of national information and monitoring systems on natural resources development; formulation or updating of national irrigation and water use management master plans; and preparation of related investment programmes;

(c) Encouraging adoption of appropriate technologies, management practices, economic incentives and institutional measures to increase water use efficiency;

(d) Fostering national capacity-building to support irrigation development through training, strengthening of water user associations and encouraging participatory approaches including the active involvement of women; and

(e) Facilitating mobilization of necessary financial resources for implementing irrigation development programmes by developing new and innovative approaches with emphasis on private sector participation.

16. For each of these five aspects, FAO has identified potential United Nations, regional and international partners including, within the United Nations system, UNDP, the World Bank, ECA, the International Fund for Agricultural Development (IFAD), the World Food Programme (WFP) and the United Nations Environment Programme (UNEP).

2. Food security and drought management

17. The issue of food security in Africa is related both to inadequate food production and poverty. In this respect, a two-pronged approach is needed, both in the areas of increased food supplies as well as improved access to food for the majority of the population, through the creation of productive employment and by increasing income earning opportunities.

18. Food security should be a national responsibility. In this context, emphasis should be put on rural development and rural infrastructure, including

food storage, at national and regional levels, as well as on water resources and productivity, in view of the trend in population growth. New ways need to be found to encourage water storage and effective use of fresh water.

19. African Governments are responding to the serious food insecurity situation by introducing a number of measures and programmes including, among others: (a) policy reforms, (b) enhancing production, distribution and storage facilities, (c) establishment of national and regional famine early warning mechanisms, (d) protection and enhancement of the productivity of the natural resource base, (e) decentralization, especially more participatory approaches in rural areas, (f) poverty alleviation programmes aimed particularly at addressing the needs of the urban poor and those living in dry, marginal areas, including employment creation especially for rural women. These measures and programmes need to be strongly supported.

20. To complement ongoing African efforts, especially those designed to meet the long-term food security challenges of the continent and to ensure the environmentally sound management of natural resources, the following areas of focus have been identified:

(a) Land degradation and desertification control;

(b) Soil quality improvement; and

(c) Food security with special emphasis on women.

2.1 Land degradation and desertification control

21. Africa is a continent suffering from degradation of its natural resources base through overcropping, overgrazing and deforestation. This has resulted in a progressive loss of land productivity and has contributed to widespread poverty and food insecurity.

22. Key areas under this component include the following:

(a) Promotion of and support for the mobilization of resources for the implementation of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification particularly in Africa, signed by 25 African countries. Efforts in this regard require: (i) sensitization of the international community to support the development and implementation of national and subregional action programmes to combat desertification; (ii) establishment of a partnership between African countries and their development partners including bilateral donors, United Nations agencies and multilateral financial institutions; (iii) formulation and establishment of innovative mechanisms to channel resources to strengthen the efforts of local communities in countries affected by drought and desertification; and (iv) promotion of arrangements (including debt conversion and debt-for-nature swaps) that will increase the availability of resources to support implementation of the Convention;

(b) Promotion of participatory technology development involving land users, community-based organizations (CBOs) and non-governmental organizations (NGOs) to address land management problems, including the adoption of low cost and effective technologies for water harvesting and soil and water conservation, building on improved versions of traditional systems and identification of relevant technologies, knowledge, know-how and practices from other regions;

(c) Support for the establishment of an African science and technology council with the task of networking African scientific and research institutions concerned with natural resource management.

2.2 Soil quality improvement

23. While measures to reduce land degradation and desertification are aimed mainly at halting the deterioration in food security in the affected areas, there is also need to promote better soil quality management practices so as to achieve a sustainable increase in food and agricultural productivity and production. Currently the crop yields achieved are well below those possible. To achieve desirable levels, it is estimated that the average available annual growth rate of the bulk of plant nutrients within the biomass of food crops should be close to 3.5 per cent. Presently, the bulk of plant nutrients used in the cropping systems is based on natural vegetation. On the other hand, the contribution of mineral fertilizers to the supply of nutrients to the crops is extremely limited.

24. In view of the rapid depletion of the soil in many African countries, there is need for increased use of mineral fertilizers as a prerequisite for increased crop production. At present, infrastructure is poor, distribution ineffective and farmers have limited access to credit to purchase mineral fertilizers.

25. In view of the above, the key component of soil quality improvement should be the promotion of plant nutrition and related improvements in soil conditions through the increased use of fertilizer, where feasible. Action in this regard should address the problem of the high price of manufactured fertilizers and the risks associated with food crop production in difficult agro-climatic and socio-economic conditions. Such activities could include pilot cross-sectoral investments to strengthen the availability and delivery of fertilizers at a reasonable price.

2.3 Food security with special emphasis on women

26. It is estimated that African women produce up to 80 per cent of the total food supply and are greatly involved in its storage and marketing, as well as in water and soil management. However, they have remained largely marginalized in terms of access to education and training, health, credit, technology, information and land. Overall, they have often benefited very little from development activities related to food security.

27. African Governments and the donor community have recognized that strengthening women's potential for the management of food can improve food

security in the household and, in turn, at the national level and can contribute significantly to the management and enhancement of the natural resource base. To this end, Governments have embarked on policy and legal reforms which the United Nations system will support. Activities in this respect will focus on reviewing existing laws and practices and promoting changes with respect to such aspects as land ownership, access to credit, technology, extension services, and so forth. All of these activities are designed to improve the productivity and income levels of women and to contribute to poverty eradication.

3. Governance

28. The issue of good governance is important for creating an enabling environment for sustainable development. Good governance should go beyond the electoral process and democratization and should also include such important elements as civic education, gender mainstreaming and the separation of powers between the Executive, Legislative and Judiciary branches of government. Other aspects include the neutrality of the civil service and the accuracy and timeliness of central statistical information. The development of civil society leads to more accountability and there should be more regular consultations between representatives of civil society, the private sector and governments. Decentralization, especially the development of local autonomy, is of utmost importance.

29. Enhancing the capacity for governance is critical to the process of enabling African countries to fulfil their political, economic and social aspirations. The efforts of the United Nations system to enhance governance include peace-building through (a) expanding the capacity for transparent, responsible and effective governance, and (b) strengthening civil society for development.

3.1 Expanding the capacity for transparent, responsible and effective governance

30. African countries have taken a number of steps to improve the quality of governance, which in turn have given more incentive to external support. The United Nations system will support these efforts through, inter alia, the following measures:

(a) Strengthening the capacity of civil service systems for the effective management of development;

(b) Strengthening the rule of law in governance, particularly independent judicial systems;

(c) Supporting and strengthening parliamentary functions and electoral processes;

(d) Making public administration more accountable, especially in the area of public finance;

(e) Assisting countries in strengthening pluralism by including civil organizations, labour and women; and

(f) Strengthening the flow of public information about development policies and programmes.

31. It is noted that a number of operational activities are under way in the United Nations system including: (a) comprehensive civil service reform with a view to increasing the quality and cost-effectiveness of public services; (b) judicial reform in a few countries to enhance the efficiency, independence, accountability and credibility of entire justice systems; and (c) electoral assistance on request to 34 countries. There is, however, a need to enhance the level of resources as well as to ensure more effective coordination in the delivery of support.

3.2 Strengthening civil society for development

32. One of the most vibrant and promising developments in Africa in recent years has been the increased involvement of civil society in political and economic matters. In this context, the cooperation of the United Nations system and African civil society would aim at strengthening the capacity of the latter in national development endeavours. In this regard, special attention will be given to women's organizations and to those organizations which promote and ensure protection of human rights. Specifically, actions would aim at enriching public policy through increased participation of civil society, making it a more active partner in development; and strengthening linkages at regional and global levels.

33. A four-point programme is envisaged involving: (a) enhancing the legal aspect of civil society; (b) regular stock-taking of the opportunities for strengthening the continuity of civil society in African development; (c) establishing an Africa-wide resource centre on civil society to facilitate networking; and (d) encouraging civil society participation in African national delegations, especially for key United Nations conferences. It should be noted that the United Nations Secretariat would contribute to these efforts, with ECA as the lead agency, in cooperation with UNDP, UNESCO and WFP.

4. Social and human development

34. From Alma-Ata to Jomtien, New York, Vienna, Copenhagen, Cairo, Beijing, Rome and Istanbul, the world community has gathered, with increasingly compelling evidence, to agree on how important social development and sustainable livelihoods are. Africa stands to benefit most from those international gatherings and world conferences, especially with respect to basic education, health and employment, which are the three main areas of the collaborative efforts of the United Nations.

4.1 Basic education for all African children

35. Since the 1990 World Conference on Education for All, held at Jomtien, Thailand, slow but steady progress towards education for all has been made in most regions of the world. Africa is the one outstanding exception. Undoubtedly, international support has been sensitive to this problem and substantial resources have been mobilized through donor agencies, both multilateral and bilateral. However, about 50 per cent of African adults are still illiterate, a fact which clearly means that a large proportion of the labour force is virtually unprepared to contribute to development and benefit from it. There is, therefore, need for a long-term solution to this vicious cycle of illiteracy through a strategy of providing quality basic education for all. In this regard, attention should be given to skills training for unemployed urban youth and to adult literacy programmes and to appropriate measures to sustain literacy through different aspects of non-formal education.

36. The above objective is daunting but doable. The strategy should be driven by the countries themselves, supported by a coordinated multi-agency commitment and sustained by an agreement among all on a stable and long-term basis. Such a strategy should ultimately aim at building and sustaining national capacities and should be based on the following priorities:

(a) African countries should provide leadership with development playing a supporting role;

(b) Education being a societal endeavour, education planners should involve all segments of the population;

(c) Education planners should take into account both the supply and demand aspects;

(d) Special emphasis must be placed on those most likely to be deprived of education, in particular girls and women, and the groups traditionally unreached.

37. The United Nations system can serve as a catalyst for the above strategy. In this regard, what is needed is an assistance programme that has the following characteristics:

(a) Agreement by bilateral partners to fill, for an extended period, the financial gaps in country programmes for the attainment of basic education for all, taking into account national efforts in this regard;

(b) The partners should continue such support for the duration of the implementation of the country programme or until recipient countries would be able to sustain such expenditures on their own;

(c) Financing should not be only for capital expenditure but also for recurrent expenditure, especially in human and institutional capacity enhancement;

(d) Participating partners should agree not to finance major activities in basic education that would represent a significant deviation and distraction from the multi-agency agreed principal programme without full consultations;

(e) Resources committed to this programme need not be additional but redirected resources;

(f) Recipient countries should activate a broad-based plan of action embedded in a strategic and financial policy framework and demonstrate a human and institutional implementation.

38. Countries lacking the planning and institutional capacity to benefit from this special programme should be supported to enable them to design and implement the education for all programmes. Related to this is the need to develop and intensify professional linkages between international organizations and countries, as well as between countries, to broaden the base of policy research and experience.

39. The steps involved in the United Nations system's joint endeavour are:

(a) Pilot arrangement: The World Bank, UNICEF and UNESCO will intensify their collaboration with a limited number of countries to develop national broad-based plans of action to build the necessary human and institutional implementation capacity. Other funding and assistance agencies will be invited to participate in this pilot activity.

(b) Technical Support and Advocacy: A task force (the World Bank, UNICEF, UNESCO, the United Nations Population Fund (UNFPA), UNDP and WHO), will work out, in consultation with the Association for Development of African Education - which is a coalition of donors and African education ministers - mechanisms to assist countries at the pre-investment stage with data, experience, analytical tools, technical support and opportunities for cross-country exchange of knowledge and expertise.

(c) With regard to resource mobilization, the World Bank will invite all donors (possibly through the Special Programme of Assistance (SPA) mechanism) to mobilize their support for this initiative and work out detailed arrangements for assistance.

4.2 Health

40. The most important feature of the United Nations collaborative endeavour will be health sector reform in Africa, with three major common elements: improved financial resource mobilization and allocation; improved management of health services and resources; and increasing equity and quality. It is also realized that an important condition for achieving these objectives is country ownership of both the reform process and the programme.

41. The reform needs to ensure an adequate access for all populations to an essential level of care and support services and should result in the resolution of country-specific priority health problems, including the reduction, on a

sustainable basis, of main causes of morbidity and mortality, such as, malaria, human immunodeficiency virus and acquired immunodeficiency syndrome (HIV/AIDS), sexually transmitted diseases, tuberculosis and childhood illnesses. This would be done through strengthening and increasing Africa's estimated existing 40,000 primary health facilities.

42. Sustainability requires partnership between communities and health care providers, availability of essential drugs and training of health workers and communities. Reliable information will be essential for monitoring and evaluation as well as for improved decision-making. In undertaking health sector reform, health improvement targets will be established and monitored in specific areas, based on internationally agreed upon health goals.

43. WHO's draft policy for health sector reform in Africa will facilitate the detailed planning and implementation of the activities of the United Nations system. In addition, the World Bank will facilitate financing from bilateral partners.

4.3 Employment and sustainable livelihoods

(a) *Poverty reduction through the promotion of the informal sector and employment-generating opportunities*

44. In Africa the informal sector accounts for about 60 per cent of the labour force and 20 per cent of the gross domestic product (GDP). It makes a significant contribution to poverty alleviation through employment generation and is a major source of human resource development, both as a training ground for unskilled workers and as a reservoir for entrepreneurial capacity. Women represent the majority of workers in the informal sector and they shall be specific targets of this priority.

45. The United Nations collaborative efforts aims at strengthening the informal sector and the generation of productive and remunerative employment and specific actions in this regard include building the technical capacity of African national planning authorities in the area of employment policy formulation and planning; improving access to sustainable financial services, equipment and technology; skills development and entrepreneurial training; modernizing promotional and marketing services; providing infrastructural facilities; and creating an enabling institutional and legal framework for the development and expansion of the informal sector.

46. The link between training and productive employment in both formal and informal sectors should be specifically emphasized through the development of improved vocational and technological skills training. This should all be done in a gender-sensitive way.

47. Many agencies and bodies have shown interest in the promotion of the informal sector. They include UNDP, ECA, the International Labour Organization (ILO), the World Bank, IFAD, FAO, the Department for Policy Coordination and Sustainable Development, WFP, the United Nations Industrial Development

Organization (UNIDO) and UNESCO. The World Bank has established a global Consultative Group to Assist the Poorest.

48. IFAD and the United Nations Capital Development Fund (UNCDF) are also contributing in crafting micro-credit policies in Africa through on-the-ground experience in a number of countries and the creation of a forum on best practices in credit to the poor established with the African Regional Agricultural Credit Association.

(b) *Sustainable livelihoods in environmentally marginal areas*

49. Poor people's strategies can inform policy and can provide alternative models of poverty eradication and ecological renewal that place human well-being at the centre. Poor people in different locales have information which, if shared laterally, can be beneficial to others. This is the essence of promoting sustainable livelihoods by building on local adaptive strategies. The "sustainable livelihoods" approach aims therefore at validating local knowledge and at encouraging participatory methodologies in the design, implementation and evaluation of programmes.

50. Ongoing research in five African countries on adaptive strategies in rural communities in arid and semi-arid agro-ecological zones has identified how people deliberately choose the mix of productive activities at the individual, household and community levels to provide a means of living. The objective of the United Nations is to ensure the operationalization of the adaptive approach at a larger scale, to achieve sustainable livelihoods in African countries. UNDP, WFP and IFAD have taken the lead in this respect.

5. Resource mobilization

5.1 Internal resource mobilization

51. In the Cairo Programme of Action, African countries stressed that in order to ensure the sustainability of growth and development, a significant increase in the level of domestic savings will be required. Domestic savings will also be important for many of the priorities set by the United Nations system for this initiative. While there is a legitimate concern that this should not be at the expense of needed consumption, substantial household savings in the economy outside formal channels can be far better mobilized through a strengthened formal financial system and through reinforcing local mechanisms. In many African countries the banking system is weak. Financial sector development will require an expansion of private lending mechanisms and a reduction in the dominance of State-owned banks.

52. In other regions, public savings have played a pivotal role in development, with surpluses channelled into the private credit market through appropriate monetary policy. In contrast, in many African countries government expenditures have far outstripped government revenues requiring a drain on savings from the rest of the economy.

53. African Governments have initiated and embarked on policies, with the support of the United Nations system, to encourage the development of financial intermediation along lines which address the aforementioned problems. In this regard, a World Bank study is under way with the objective of providing appropriate and practical recommendations. In addition, the report of the Secretary-General entitled "Towards advancing financial intermediation in Africa",[3] which was discussed at the fiftieth session of the General Assembly, proposed a three-pronged strategy consisting of strengthening and promoting various banking and non-banking financial institutions; devising and launching a variety of financial instruments to meet requirements of savers and investors; and developing implementing indirect instruments of monetary policy.

5.2 External support for Africa's economic transition

54. Three priorities have been identified for external support for Africa's development. These are: debt, trade and investment and South-South Cooperation.

(a) *Substantial debt relief*

55. African leaders have identified debt as a primary constraint to sustainable growth and development, even in countries which have undertaken stringent policy reform measures. They have, therefore, increasingly argued the case for a multi-pronged strategy to deal with the problem through various international forums and mechanisms. The June 1995 Assembly of Heads of State and Government of OAU adopted a declaration calling for a debt strategy that would:

(a) Improve the Naples Terms by raising the debt stock reduction ceiling from 67 per cent to 80 per cent and in some cases higher and by applying the terms to all types of non-concessional Paris Club debt including post-cut-off debt and moratorium interest;

(b) Remove all remaining concessional debt owed to the Paris Club;

(c) Resolve the non-Paris Club debt burden;

(d) Remove private sector debt through expansion, where necessary, of existing mechanisms, such as the International Development Association (IDA) debt buy-back facility and the Brady Plan;

(e) Support innovative measures to reduce the multilateral debt burden, building on proposals already made such as the sale of a proportion of the IMF's gold reserves and the issuance of additional special drawing rights (SDRs); and

(f) Seek actively to use debt relief to fund development.

56. Taking into consideration the adoption, in October 1996, of the IMF and World Bank supported initiative for heavily indebted poor countries and the outline in paragraph 55 above, the United Nations system collaborative efforts aim at furthering debt alleviations measures to benefit a large number of African countries. These efforts would include:

(a) Further advocacy for Paris Club creditors;

(b) Urging solutions comparable to those of the Paris Club with respect to non-Paris Club bilateral creditors;

(c) Encouraging solutions that address the needs of debt-distressed member countries of the African Development Bank;

(d) Providing assistance to African debtor countries for effective management of their debt and the effective use of resources made available through debt relief for development purposes;

(e) Inclusion of individual countries' debt relief strategies in the agenda of existing aid coordination mechanisms, such as round tables and consultative groups, to ensure that they form part of their external resource mobilization efforts. In this regard the World Bank is prepared to incorporate an analysis of debt sustainability in its country assistance strategies.

(b) *Trade access and opportunities*

57. African countries will need to capitalize on the new opportunities created by the Uruguay Round but they will also need to be supported in this regard through enhancement of their competitive capacities and through market access. A number of remedial steps are being considered by some bilateral trading partners of Africa. As for the United Nations system, there are three areas in which relevant agencies and organizations, particularly the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO), with the International Trade Centre (ITC), FAO, ECA, the World Bank and others, as appropriate, can strengthen Africa's capacity to take better advantage of the new international trading environment.

58. In another respect, Africa has been marginalized in the flow of foreign direct investment (FDI). While such flows have considerably increased to developing countries in Latin America and Asia in particular, Africa's share in FDI remains at about 2 per cent of total flows despite efforts by many African countries to increase their attractiveness to foreign investors. An UNCTAD study concludes that contrary to common perceptions, FDI in Africa can be profitable and at a level above the average in other developing regions. In order to demonstrate the possibilities for investment in Africa to potential foreign investors, the following efforts are envisaged by the United Nations system: (a) launching of pilot project by UNCTAD in cooperation with UNIDO, UNDP, the World Bank, ECA, the African Development Bank and other concerned organizations to prepare country profiles for investment in selected countries. Should this project prove to be effective, similar projects could be undertaken for other African countries; and (b) participation of potential investors in the occasion of round-table meetings in order to assess business opportunities in individual African countries.

(c) *Partnership with Africa through South-South Cooperation*

59. South-South cooperation can play a significant role in strengthening Africa's development. It can represent an enormous opportunity for Africa to

capitalize on economic prosperity in other regions of the developing world. South-South cooperation can be successful to the extent that concrete steps are being taken at the country level to forge such collaboration.

60. For a number of years the United Nations has fostered South-South cooperation, stimulating interregional and national actions. Notable in this field are the South Commission, the Bandung Framework for Asia-Africa Cooperation, which was a follow-up to the October 1993 Tokyo International Conference on African Development (TICAD) sponsored by the Government of Japan and efforts spearheaded by OAU.

61. Building on the above efforts and initiatives, the United Nations collaborative efforts will aim at mobilizing the collective strength and resourcefulness of the regional commissions, regional development banks, regional economic communities and major umbrella business and private sector organizations in Africa, Asia and Latin America to achieve the following:

(a) Building and strengthening of trade information systems and private sector networks between Africa and regions of the South;

(b) Exchange of policy perspectives on a variety of globalization and development issues;

(c) Strengthening of financial intermediation between the regional banking systems;

(d) Strengthening of ties between the private sector communities in Africa and the other regions with a view to encouraging the:

- Flow of private investment into Africa;

- Establishment of joint production, business and services ventures; and

- Creation of modalities for the exchange of experiences between Africa and the other regions and transfer of knowledge to Africa on successful innovations in areas such as financial intermediation, information technology and scientific and technological applications for development; and

(e) Promotion and facilitation of regular exchanges of available economic, financial, scientific, technical and technological information and experiences, particularly from the private sector.

62. In this endeavour ECA - in cooperation with the Economic Commission for Latin America and the Caribbean (ECLAC), the Economic and Social Commission for Asia and the Pacific (ESCAP), UNCTAD and UNIDO - would play a leading role in encouraging cooperation along the above lines, particularly to stimulate private sector linkages with Africa and in so doing to assist potential partners to flesh out the specific joint ventures and actions that need to be taken. In addition, the experience of such other agencies as the UNDP/Technical Cooperation for Development Unit and UNIDO through its technology markets (TECHMART) programme should be taken into account.

5.3 Harnessing information technology for development

63. Unless African countries become full actors in the global information revolution, the gap between the continent and other regions will widen, opening the possibility of increased marginalization. On the other hand, participation in the global information revolution gives Africa the opportunity to leapfrog over earlier stages of technology. For example, African scientists and researchers can enhance their participation in the global scientific community through direct access to the Internet, the global network of networks. These networks access all types of information and knowledge that can be of benefit to African development, through, for example, global sourcing for corporations as well as global marketing of products without the hitherto necessary intermediaries and wholesalers. Throughout the region, particularly in rural areas, information and communications technologies can serve as an effective tool to promote sustainable human development and to tackle poverty, for example through long distance education aimed at illiterates and by access to telemedicines, enhanced governance and participatory mechanisms, environmental management and operational microcredit schemes.

64. ECA, the World Bank and UNDP are undergoing internal re-examination of their approaches to key strategic issues for the African continent, placing information and communications technologies high on their priority lists. The World Bank has launched "InfoDev" as a global initiative to facilitate the access of developing countries to the information revolution through policy reform and infrastructure investment. In joining ECA in an effort to harness information technology for development under this activity, InfoDev represents an opportunity for great synergy. UNESCO, building on the Regional Informatics Network for Africa project of its Intergovernmental Informatics Programme, has been working closely with both the International Telecommunications Union (ITU) and ECA to establish appropriate conditions to improve access to telematics facilities for development in Africa.

65. The ECA, the World Bank, UNESCO, ITU and UNCTAD will work together as the lead agencies. Their tasks will be to define their respective areas of responsibilities, involve other interested donors and establish a fully collaborative process with African Governments. The International Development Research Centre (Canada), UNIDO, the Carnegie Corporation of New York, the Global Information Infrastructure Commission and the Internet Society (USA) have indicated their willingness to participate in all aspects of this endeavour. Other interested actors include UNDP, USAID and development assistance agencies in countries including France, Germany, Italy and Japan. The World Bank's Economic Development Institute, working with the African Institute for Economic Development and Planning (IDEP), sponsored by the ECA, would be the major facilitators for awareness-raising and training. The initiative would work in close cooperation with the Africa Internet Forum. African countries which have taken a catalytic role in this area would join a Steering Committee for the project; these countries include Egypt, Senegal and South Africa. In the field of telecommunications, efforts will concentrate on strengthening what has so far been achieved by African countries.

66. Implementation of the above collaborative efforts will entail the following:

(a) National policy formulation and sectoral workshops on regulatory frameworks; setting up of a regional commission on information technology and communications;

(b) Installation of Internet nodes with local servers to provide Internet services in selected countries;

(c) Training systems engineers and operators and information users throughout Africa in computer networking;

(d) Applications development and dissemination, drawing upon UNIDO's experience, in particular in applying informatics to industry; and

(e) Establishment and operation of an electronic clearing house on African development information.

67. Operating principles will include: encouragement of competitiveness and private sector participation in the provision of information service; policy reform in telecommunications deregulation; utilization of local resources and existing information bases; encouragement of South-South cooperation through repatriation of skilled Africans trained abroad; and technical assistance from other developing countries. The implementation of the above principle will be facilitated through an emerging consensus among the agencies of the United Nations system as evidenced by the adoption by ACC of the important policy statement on the United Nations and the information and communication revolution.

6. Diversification of African economies

68. Africa's economic crisis is structural in nature and calls for long-term measures aimed at effective transformation through diversification. For this transformation to materialize, it is of paramount importance to address such issues as the weak technological base; the insufficient linkage between the primary and the manufacturing sectors; the over-dependence of individual African countries on too limited a range of commodities; and the weak human, institutional and infrastructural capacities, particularly in the field of research and development.

69. The main objective of the System-wide Plan of Action is the structural transformation of African economies through vertical and horizontal diversification of the commodity sector. A most pressing preoccupation would be the reduction of the overdependence of the majority of countries on the export of a few primary commodities, while strengthening Africa's position in traditional external export markets. Therefore, the enhancement of Africa's competitiveness and the mitigation of losses of preference margins, especially in the context of generalization of trade preferences and the conclusion of the Uruguay Round of multilateral trade negotiations of the General Agreement on Tariffs and Trade (GATT), are important objectives to be achieved.

70. For the transformation of the African economies to materialize, there will be a need to broaden the utilization of primary commodities. The strategy will

aim at strengthening Africa's technological base, especially in agriculture and agro-industries, with the active participation of the private sector. Another element of the strategy is the establishment of intersectoral linkages between the primary and the manufacturing sectors and the coordination of production plans at the regional level in order to avoid oversupply situations.

71. Due consideration will also be given to the environmental impact of current and planned diversification programmes. In this regard, a comprehensive approach could be achieved through the establishment of a diversification fund for Africa's commodities, as called for by the General Assembly in its resolution 48/214 of 23 December 1993.

72. The United Nations system will endeavour to support African countries and their regional organizations in their efforts to formulate and implement policies and programmes for effective economic diversification. The related activities, to be implemented in a coordinated manner, will focus on the following:

(a) Building or strengthening capacities:

(i) Human capacities: training in resource survey and inventory techniques; developing skills in processing and marketing techniques; training in environmental protection and management; and training of research staff;

(ii) Institutional capacities: assisting in the establishment and/or strengthening of relevant research centres for commodity diversification and processing; promoting the establishment of credit facilities, including rural credit arrangements, small- and medium-scale and funding agencies; and strengthening relevant regional institutions in support of national and multi-country diversification programmes;

(iii) Capacities for infrastructure development and management of environmental impacts: assisting in relevant physical infrastructure development at the national, subregional and regional levels and in carrying out surveys of the possible environmental impact of economic diversification programmes and drawing up related contingency plans;

(b) Advisory services in: land reform policies and rural development, including extension services; monetary and financial policies in support of diversification and economic transformation; industrial policies in the framework of the implementation of the Second Industrial Development Decade for Africa; investment promotion and trade development policies; regional economic cooperation and integration and their policy implications; and gender-oriented planning and population.

73. The successful implementation of the action programme that the United Nations system will promote would require that a strong partnership be established between the public and the private sectors of African countries. In this regard, African Governments should facilitate, promote and support the diversification projects initiated by the private sector.

74. United Nations system support programmes in this area will be as follows, with UNCTAD as the lead agency:

(a) Identification of national policies conducive to diversification;

(b) Establishment of a diversification fund for African commodities;

(c) Regional and national workshops or seminars to strengthen the structures for and ensure the development of diversification projects that could benefit from existing funding mechanisms;

(d) Diversification oriented to national and subregional needs; and

(e) Building capacities to process natural resources.

7. Regional economic cooperation and integration

75. The need for economic integration in Africa cannot be overemphasized. With small national markets, a weak human resource base, inadequate physical and institutional infrastructures and narrow production structures, the majority of African countries do not meet the requirements to be dynamic economic entities. The region's transport and communications networks are excessively oriented to the exterior and its production systems have been unable to generate intraregional trade exchanges, even in such a critical commodity as food. Therefore, economic integration should be seen as the most viable approach to balanced economic growth, structural transformation and sustainable development in Africa.

76. Africa's experiences in regional cooperation started as early as the 1960s. Currently, the ultimate goal is the establishment of the African Economic Community, as agreed upon in the Treaty of Abuja of 10 June 1991, which came into force in May 1994.

77. For the short and medium term, the objective is to establish the basis for economic integration at the national and subregional levels. At the national level, major objectives are to strengthen the productive sectors, especially the food and agricultural sector, facilitate capital formation, develop and maintain infrastructures, especially in rural areas, and build up the human and institutional capacities necessary for achieving collective self-reliance. At the subregional level, the immediate objective would be further to strengthen and harmonize existing institutions, upgrade inter-State transport and communications systems and enhance intra-African trade through the strengthening of regional economic communities.

78. The United Nations system will support integration efforts by African countries at the national, subregional and regional levels. At the national level, the support will be geared to capacity-building programmes and projects in all major sectors, especially for agricultural development, poverty alleviation and human resource development, energy and water resources. These programmes and projects aim at creating the basis for economic cooperation and integration. At subregional and regional levels, the collaborative efforts of

the United Nations system will aim at supporting regional economic communities and their respective sectoral programmes, as well as the process of the establishment of the African Economic Community.

79. Specifically, the United Nations system support programmes at subregional and regional levels will focus on the following, with the lead agency located in the United Nations Secretariat:

(a) Enhancing intra-African trade;

(b) Upgrading transport, communications and energy infrastructure;

(c) Promoting multinational production ventures, especially in basic industries;

(d) Promoting the Second United Nations Transport and Communications Decade for Africa with emphasis on inter-State identified projects;

(e) Promoting the Second Industrial Development Decade for Africa, focusing on the multinational projects identified in various subregions;

(f) Promoting the implementation of the African Common Position on Environment and Development in the context of Agenda 21.

IV. IMPLEMENTATION AND RESOURCE IMPLICATIONS

80. It needs to be stressed that the implementation of the collaborative efforts of the United Nations system will be primarily at the country level. This is consistent with the guiding principle that all programmes should support policies and programmes formulated by the African countries themselves and should be pursued as an integral part of a major effort by the system as a whole to generate greater political commitment for African development by the entire international community.

81. A concomitant part of the above implementation framework is the facilitating role of United Nations resident coordinators. These coordinators would convey to African countries the intent and content of the United Nations system collaborative efforts to assist them in specific areas, in a way which would have a cumulative impact. They should be particularly useful in linking political decisions to ongoing programmes of the United Nations system so as to give added coherence to the actions between the country and the United Nations.

82. It is intended that all countries should benefit from the United Nations collaborative effort as outlined. However, a country typology could be established, differentiating on the basis of readiness to undertake implementation: for example, countries having sectoral investment programmes (SIPs); countries that are SIPs-capable, but require advice to overcome policy impediments; countries with weak human and institutional capacity; and countries in crisis and civil strife situations. Above all, assistance will be provided for all categories of countries on the basis of requirements determined in

consultations with Governments, the United Nations system and the donor community.

83. Implementation arrangements at different levels will take into account cross-sector aspects. Similarly, necessary assistance will be provided for inter-country and cross-boundary requirements in the relevant priority areas.

84. With regard to political mobilization, the focus should first be to create a consensus on priorities between African countries and the United Nations system. It should lead to increased ownership in African countries, the priorities being fully in line with those of the Cairo Programme of Action. It should also lead to a strong backing by the donor countries.

85. There is no clear commitment by the participating organizations on the funding of the priority areas outlined in the revision. Resource flows to Africa from the United Nations system, as recorded in 1993, were in the order of $5.5 billion. It was assumed that this level would increase in the coming years.

86. In addition, it is essential to bring together donors in support of African development. Establishing regional forums around specific development goals; preparing national investment programmes aimed at specific objectives or sectors; and, broadening participation in consultative groups and round tables could constitute a positive start of the process. The above-mentioned suggestions have potential to increase the effectiveness and efficiency of donor support for African development; to underscore the leadership of Governments and their partners to work out modalities together for the implementation and monitoring of these priorities; and to enhance opportunities for mobilizing resources within agreed programmatic frameworks.

87. The forums proposed are to mobilize resources to be devoted to key sectors or intersectoral challenges. In this regard, such initiatives as the Task Force of Donors to African Education, the African Population Advisory Committee and the Special Programme of African Agricultural Research should be used for that purpose in the relevant sectors. The forums would not take the place of individual country programmes, but would complement them. Interested private companies and NGOs should be invited to participate as appropriate. Efforts might also be made to attract foreign private funding from mutual funds and pension plans.

88. It is recommended that African Governments and donors commit themselves to preparing goal-oriented investment programmes for major strategic objectives in each African country. Donor support would be provided within the context of these programmes. Governments would lead the preparation and the management of the programmes. Technical assistance agencies would take the lead in helping to build national capacity for programme development and implementation. NGOs and the private sector would be invited to participate.

V. REVIEW AND MONITORING MECHANISMS

89. The ACC Steering Committee will work with the lead agencies on plans to oversee the implementation of the above collaborative efforts so that ACC is assured that there is additive impact from the combined work of agencies. Lead agencies will be responsible for identifying quantifiable goals for each component along with indicators to measure progress towards those goals.

90. The ACC Steering Committee will act as a focal point to stimulate implementation and will work with lead agencies as they launch their agreed programmes. The Steering Committee will also review completed plans to assure that relevant parts of the United Nations system are appropriately represented and will also work with and support, as appropriate, lead agencies in their work. In addition, the United Nations Inter-Agency Task Force on African Economic Recovery and Development will continue to be entrusted to monitor the technical aspects of the implementation and function as an inter-agency mechanism.

Notes

[1] A/50/885 and Add.1.

[2] Report of the Secretary-General, Revised System-wide Plan of Action for African Economic Recovery and Development (E/AC.51/1994/7 of 9 August 1994); United Nations System-wide Special Initiative on Africa of 15 March 1996.

[3] A/50/490.